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C O N F I D E N T I A L SECTION 01 OF 03 MEXICO 005773

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SUBJECT: SECURITY, MIGRATION, AND ELECTIONS IN MICHOACAN

Classified By: Charles Barclay. Reason: 1.4 (b)

1.(SBU) Summary: Michoacan voters will go to the polls November 11 to elect a new governor, state legislature, and 113 mayors. In a visit to the state the week of October 15 poloff discussed Michoacan's unique social and political environment, its security landscape and upcoming elections with academics, state and community leaders. This cable focuses on the election, migration issues, and the status/impact of the GOM's counter-drug operations in the state. End Summary.

12. (SBU) Although the National Action Party (PAN) has campaigned hard to capture President Calderon's home state, the Party of the Democratic Revolution's (PRD's) Cardenas family has held sway over the politics of this central-west state for years. Michoacan is one of five states currently controlled by the PRD (governed presently by Lazaro Cardenas Batel, grandson of the popular 20th century President Lazaro Cardenas del Rio) and will serve the site of Mexico's last major election in 2007. Not only does Michoacan receive the greatest share of migrant remittances, it is also one of the most violent states in the country and was the first state into which Calderon sent military troops to combat organized crime when he took office in December 2006.

Elections

13. (SBU) Despite the power of the Cardenas dynasty and active campaign support of PRD founding father Cuauhtemoc Cardenas (father of the current governor), the most recent poll conducted by leading newspaper El Universal reports only a marginal lead for PRD gubernatorial candidate Leonel Godoy over PAN candidate Salvador Lopez Orduna. According to the poll, Godoy is running at 37%, Lopez Orduna at 35%, and the PRI's Jose de Jesus Reyna Garcia at 25%. At the same time, leading newspaper Reforma conducted their own poll which gives Godoy a clear lead in the race with 40.1% of the intended vote and Lopez Orduna with 34.6%. When compared to a poll from a month ago, the intended vote for Lopez Orduna remained virtually unchanged at 34%, while Godoy has increased from 35.2% to 40.1% at the expense of the PRI candidate, who had dropped from 28.4% to 23.9% of the intended vote. The candidates have held two televised debates (on October 17 and 20), focusing on job creation, public security, and education.

14. (C) Notably absent from the PRD's campaign is the presence of failed PRD presidential candidate and leftist leader Andres Manuel Lopez Obrador (AMLO). All party leaders and state officials agreed that AMLO's participation would do more harm than good for Godoy. Referencing the deep-seated rivalry between the two leftist leaders, state congress president Gustavo Arias Garduno (PRD) told poloff "this is

Cardenas territory...there is no room or love for Lopez Obrador here." Although Arias acknowledged Godoy allied with AMLO in his post-electoral protest movement, he noted that Godoy had since distanced himself from the radical leader and returned to his "Cardenas roots." Moreover, going against AMLO-doctrine, Godoy recently announced he would recognize Calderon's presidency.

Migration

15. (U) Michoacan is a source of heavy migration to the U.S., and ranks first among Mexico's 32 states in both the total amount of remittances received from Mexicans living the U.S. and the percentage remittances represent as a proportion of the state's GDP. Estimates of the number of Michoacanos currently living in the U.S. range between 2 to 2.5 million. In 2006, Michoacan received USD 2.4 billion in remittances, representing approximately 11% of Mexico's total remittance flow and making up over 15% of the state's income.

16. (SBU) According to Dr. Jesus Martinez Saldana, Director General of the Michoacan State Institute for Migrants, emigration has been a way of life for Michoacanos for over 100 years and the "tradition" was reinforced with the agricultural crisis of the 1970s. The pattern of emigration was usually seasonal/temporary -- most migrants would return after a period of time. A different pattern has emerged in recent years, noted Dr. Martinez, with fewer migrants returning. He attributed this trend to increased U.S. border security, which has made U.S. entry and exit more risky and expensive. He projects the current wave of Mexican migrants will stay in the U.S. permanently and seek to bring their

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family up to the U.S. to join them.

17. (SBU) The social impact of migration has been costly, creating a vicious cycle of labor shortages and contributing to an increasing number of social problems such as alcoholism and drug use. PAN state president Dr. Fransico Morelos said children in Michoacan were growing up without fathers and, in some cases, mothers.

18. (SBU) This trend has a law enforcement impact, he asserted. Increasingly the cartels are taking up the father-figure role for Michoacan's youth, making the state a recruiting ground not only for young drug dealers and enforcers, but also consumers.

19. (SBU) Local leaders, who once supported emigration as an honor and necessary for the survival of their rural towns, are now campaigning on policies to curb the flow. In separate meetings with poloff, the PAN, PRD, and PRI state party leaders said their gubernatorial candidate had a plan to curb emigration.

110. (SBU) The PAN's Lopez Orduna said he would establish a 500 million peso fund for relatives of migrants to start their own businesses and separately would dedicate 200 million pesos for housing programs, healthcare services, and job creation for those that stay. PRI candidate Reyna is proposing more jobs and more active cultural exchange programs with migrant communities. The PRD's Godoy would focus on developing the state's agro-industry as well as the creation of a secretariat for migrants and a development bank.

11.(SBU) In addition to continuing many of the social programs and public policies of the current governor, Godoy also promises to build an international airport in Caleta de Campos in order to attract domestic investment and international tourism to the state's beaches.

¶12. (SBU) Another prominent issue in the electoral debate is public security. President Calderon, with the backing of Governor Lazaro Cardenas Batel, has dispatched thousands of troops to fight warring drug cartels in Michoacan. During the second gubernatorial debate, Godoy said the fight against organized crime was the federal government's responsibility, but he stressed that if he won, the state government would offer its full cooperation to federal operations. Godoy argued that "jobs and education ... are the best weapons to defeat crime." Meanwhile, Lopez Orduna called for better coordination among security forces and stiffer penalties for offenders.

¶13. (C) Although no evidence points to the participation of kingpins in the gubernatorial race, Governor Cardenas worries the cartels may be active in municipal contests in the mountainous region known as the "Tierra Caliente." (This region is infamous for growing herbicide-resistant marijuana, producing methamphetamines, and harboring members of a quasi-independent extension of the Gulf Cartel known as "La Familia.") More specifically, Gov. Cardenas suggested the cartels may be supporting certain municipal candidates in exchange for positioning their own members as municipal police officers.

¶14. (C) Gov. Cardenas told poloff the security situation in Michoacan had improved significantly due to both the presence of military troops and a territorial truce between the two major drug cartels. Although Cardenas attributed more importance to the cartel truce in explaining the reduced number of drug-related homicides, he said the GOM's counter-narcotics (CN) operations were necessary since the cartels had significantly infiltrated state/local police forces and were beginning to expand into new areas.

¶15. (C) There has been significant collaboration between the military and state government to prevent this expansion and retake territory back from the cartels. He expects a long-term military presence in the state, with most Michoacanos supporting the CN operations.

16.(C) Cardenas suggested other ways in which the cartels are trying to protect their interests in Michoacan including public relations efforts (i.e. human rights accusations against the military) and developing ties to subversive groups. Cardenas began receiving information in November 2006 that the cartels were interested in forming ties with

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"subversive groups" (not necessarily the EPR). He referenced a newspaper advertisement taken out by "La Familia" that came out, coincidentally, at the same time he received this information. The advertisement was well-organized, included a mission and objective statement and a clear political tone more characteristic of subversive groups. Cardenas continues to receive information about possible narco-guerilla links, but could not confirm the validity of this nexus. However, he believes the information is serious enough that the GOM should investigate and the USG should be aware of the possibility "even if there is only a 1% chance it may be true."

¶17. (C) Biographical Note: According to Cardenas advisor and childhood friend Arturo Aguilar Bueno, Cardenas will seek the PRD presidential nomination for 2012. After February 2008 when his term as governor ends, Cardenas told poloff he was going to take a break from politics and is considering invitations to work in Washington and Brazil. Aguilar later told poloff (November 7) that President Calderon had offered Cardenas a position in his Cabinet as Secretary of Social Development, which he turned down because it would have upset PRD party officials. However, Cardenas has accepted Calderon's more recent offer of a 2-year ambassadorship to

Brazil -- a position he will take 6 months after his term ends in February 2008. Since he will be outside the country, Cardenas does not expect this posting with the Calderon government to ruffle too many PRD feathers. End Note.

Comment

¶18. (C) While narco-traffickers appear to have steered clear from direct involvement in Michoacan's gubernatorial race, they are likely exerting influence in enclaves where they are active. There is also speculation that the cartel truce is only temporary -- for the purposes of the election/transition --and violence will eventually spike up again once the new government is in place. We will keep close tabs on the number of narco-related violence after the election/during the transition to track developments.

¶19. (C) Although both the popularity of Calderon in his home state and the administration's CN operations have provided a boost in the polls for PAN candidate Lopez Orduna, neither may be enough for the PAN to capture the state house, as most polls show its candidate trailing by between two and seven points. Moreover, the PAN is almost certain to lose the key mayorship of Morelia, the state capital -- Lopez Orduna's former position until announcing his bid for governor -- the PRI's candidate is polling ahead of his competitors. The Michoacan elections may prove to be another 2007 electoral setback for the PAN, and at least temporarily reverse PRD's sagging fortunes. End Comment.

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